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## Advance Report on Durable Goods Manufacturers' Shipments, Inventories and Orders July 2005

### New Orders

New orders for manufactured durable goods in July decreased \$10.6 billion or 4.9 percent to \$204.7 billion, the U.S. Census Bureau announced today. This followed a 1.9 percent June increase. Excluding transportation, new orders decreased 3.2 percent. Excluding defense, new orders decreased 4.5 percent.

Transportation equipment, down for the second consecutive month, had the largest decrease, \$5.9 billion or 8.6 percent to \$62.0 billion.

### Shipments

Shipments of manufactured durable goods in July, down following two consecutive monthly increases, decreased \$0.2 billion or 0.1 percent to \$206.4 billion. This followed a 0.3 percent June increase.

Fabricated metal products, down for the second consecutive month, had the largest decrease, \$0.3 billion or 1.2 percent to \$23.6 billion.

### Unfilled Orders

Unfilled orders for manufactured durable goods in July, up for the third consecutive month, increased \$5.6 billion or 1.0 percent to \$580.3 billion. This was at the highest level since the series was first stated on a NAICS basis in 1992 and followed a 2.8 percent June increase.

Transportation equipment, up for the third consecutive month, had the largest increase, \$4.8 billion or 1.7 percent to \$290.1 billion. This was also at the highest level since the series began.

### Inventories

Inventories of manufactured durable goods in July, up seventeen of the last eighteen months, increased \$1.6 billion or 0.6 percent to \$282.2 billion. This followed a 0.4 percent June decrease.

Transportation equipment, up two of the last three months, had the largest increase, \$0.7 billion or 1.0 percent to \$66.1 billion.

### Capital Goods

Nondefense new orders for capital goods in July decreased \$5.6 billion or 7.3 percent to \$71.1 billion. Shipments decreased \$0.5 billion or 0.7 percent to \$64.4 billion. Unfilled orders increased \$6.6 billion or 2.3 percent to \$297.1 billion. Inventories increased \$1.5 billion or 1.4 percent to \$111.2 billion.

Defense new orders for capital goods in July decreased \$1.5 billion or 16.6 percent to \$7.3 billion. Shipments decreased \$0.5 billion or 6.1 percent to \$7.6 billion. Unfilled orders decreased \$0.3 billion or 0.2 percent to \$135.0 billion. Inventories increased \$0.3 billion or 1.8 percent to \$15.2 billion.

### Revised June Data

Revised seasonally adjusted June figures for all manufacturing industries from the August 19, 2005 Benchmark Release are: new orders, \$394.9 billion (revised from \$397.2 billion); shipments, \$386.2 billion (revised from \$386.6 billion); unfilled orders, \$574.7 billion (revised from \$576.5 billion); and total inventories, \$461.3 billion (revised from \$460.9 billion).

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Figures in text, other than year-to-date, are in seasonally adjusted current dollars. Figures on new and unfilled orders exclude data for semiconductor manufacturing. For data, call (301) 763-4673 or go to <<http://www.census.gov/m3>>.

Revised and more detailed estimates, plus nondurable goods data, will be published on August 30, 2005, at 10:00 a.m. EDT. The advance report on durable goods for August is scheduled for release on September 28, 2005, at 8:30 a.m. EDT. See back page for survey description.

**Table 1. Durable Goods Manufacturers' Shipments and New Orders**  
[Millions of Dollars]

Item	Seasonally Adjusted						Not Seasonally Adjusted <sup>1</sup>					
	Monthly			Percent Change			Monthly			Year to Date		
	Jul 2005 <sup>2</sup>	Jun 2005 <sup>r</sup>	May 2005	Jun - Jul <sup>2</sup>	May - Jun <sup>r</sup>	Apr - May	Jul 2005 <sup>2</sup>	Jun 2005 <sup>r</sup>	Jul 2004	2005	2004	Percent Change 05/04
<b>DURABLE GOODS</b>												
<b>Total:</b>												
Shipments.....	206,372	206,525	205,944	-0.1	0.3	0.8	179,289	225,821	171,289	1,416,471	1,336,461	6.0
New Orders <sup>4</sup> .....	204,710	215,280	211,256	-4.9	1.9	7.3	175,433	230,245	169,494	1,404,018	1,322,136	6.2
<b>Excluding transportation:</b>												
Shipments.....	149,161	149,247	148,970	-0.1	0.2	0.9	138,297	162,134	131,667	1,027,188	939,848	9.3
New Orders <sup>4</sup> .....	142,682	147,400	142,290	-3.2	3.6	0.9	131,658	157,431	123,866	994,954	917,380	8.5
<b>Excluding defense:</b>												
Shipments.....	197,252	197,194	196,545	0.0	0.3	0.8	170,890	215,550	162,847	1,353,267	1,273,120	6.3
New Orders <sup>4</sup> .....	196,115	205,438	203,211	-4.5	1.1	7.4	169,975	220,280	163,825	1,348,980	1,257,110	7.3
<b>Manufacturing with unfilled orders:</b>												
Shipments.....	139,698	140,433	140,159	-0.5	0.2	0.7	124,193	153,527	119,115	965,226	894,703	7.9
New Orders <sup>4</sup> .....	145,285	155,996	152,494	-6.9	2.3	9.9	126,742	165,300	123,608	1,000,759	925,717	8.1
<b>Primary metals:</b>												
Shipments.....	15,064	15,218	15,292	-1.0	-0.5	-1.0	13,856	15,929	13,838	109,859	97,537	12.6
New Orders.....	14,958	14,801	14,990	1.1	-1.3	0.6	13,823	15,186	14,616	108,445	101,779	6.5
<b>Fabricated metal products:</b>												
Shipments.....	23,588	23,882	24,002	-1.2	-0.5	0.5	22,327	25,397	22,055	165,250	154,714	6.8
New Orders.....	23,450	24,539	24,199	-4.4	1.4	0.2	22,268	25,753	21,876	169,482	161,064	5.2
<b>Machinery:</b>												
Shipments.....	25,783	25,825	25,785	-0.2	0.2	1.2	24,174	28,391	23,162	181,952	165,123	10.2
New Orders.....	26,458	28,200	25,573	-6.2	10.3	-2.8	24,009	29,577	22,191	187,420	169,538	10.5
<b>Computers and electronic products:</b>												
Shipments.....	36,921	36,767	36,848	0.4	-0.2	1.9	32,533	41,654	30,125	247,756	222,316	11.4
New Orders <sup>4</sup> .....	30,122	32,004	29,852	-5.9	7.2	3.1	25,854	36,062	22,458	205,383	182,130	12.8
<b>Computers and related products:</b>												
Shipments.....	8,128	8,096	8,327	0.4	-2.8	-1.5	7,742	9,522	6,388	55,582	42,150	31.9
New Orders.....	7,741	8,446	8,375	-8.3	0.8	-2.0	7,355	9,872	5,966	54,807	41,629	31.7
<b>Communications equipment:</b>												
Shipments.....	5,693	5,839	5,634	-2.5	3.6	14.2	4,714	6,586	4,435	37,614	35,859	4.9
New Orders.....	6,132	6,599	5,558	-7.1	18.7	11.9	4,928	6,911	3,997	40,541	35,773	13.3
<b>Semiconductors:</b>												
Shipments.....	7,249	6,808	7,023	6.5	-3.1	-0.8	6,405	7,349	6,288	47,986	45,339	5.8
New Orders <sup>4</sup> .....	(NA)	(NA)	(NA)	(NA)	(NA)	(NA)	(NA)	(NA)	(NA)	(NA)	(NA)	(NA)
<b>Electrical equipment, appliances, and components:</b>												
Shipments.....	9,549	9,452	9,433	1.0	0.2	1.7	8,783	10,250	8,327	64,215	60,356	6.4
New Orders.....	9,557	9,752	9,657	-2.0	1.0	3.2	9,077	10,279	8,593	65,848	62,027	6.2
<b>Transportation equipment:</b>												
Shipments.....	57,211	57,278	56,974	-0.1	0.5	0.4	40,992	63,687	39,622	389,283	396,613	-1.8
New Orders.....	62,028	67,880	68,966	-8.6	-1.6	23.5	43,775	72,814	45,628	409,064	404,756	1.1
<b>Motor vehicles and parts:</b>												
Shipments.....	41,508	41,249	40,963	0.6	0.7	2.6	27,576	45,206	27,229	281,944	295,144	-4.5
New Orders.....	41,889	41,266	41,126	1.5	0.3	2.2	28,413	44,892	27,547	282,477	296,469	-4.7
<b>Nondefense aircraft and parts:</b>												
Shipments.....	6,722	6,798	6,643	-1.1	2.3	-10.8	5,490	8,214	4,431	44,465	38,791	14.6
New Orders.....	12,065	15,116	20,137	-20.2	-24.9	174.3	10,014	16,373	11,056	69,241	44,320	56.2
<b>Defense aircraft and parts:</b>												
Shipments.....	3,363	3,649	3,746	-7.8	-2.6	1.8	3,057	4,218	3,334	24,805	26,625	-6.8
New Orders.....	2,633	2,772	2,706	-5.0	2.4	14.1	1,665	3,034	1,944	18,413	23,445	-21.5
<b>All other durable goods:</b>												
Shipments.....	38,256	38,103	37,610	0.4	1.3	0.5	36,624	40,513	34,160	258,156	239,802	7.7
New Orders.....	38,137	38,104	38,019	0.1	0.2	1.9	36,627	40,574	34,132	258,376	240,842	7.3
<b>Capital goods:</b> <sup>3</sup>												
Shipments.....	72,034	72,986	72,845	-1.3	0.2	0.7	65,284	81,877	61,219	495,840	451,252	9.9
New Orders.....	78,343	85,389	85,210	-8.3	0.2	17.7	67,748	91,916	65,399	526,867	468,853	12.4
<b>Nondefense capital goods:</b>												
Shipments.....	64,442	64,904	64,849	-0.7	0.1	0.7	58,203	73,166	53,759	442,314	396,094	11.7
New Orders.....	71,063	76,657	78,376	-7.3	-2.2	18.7	63,162	83,290	60,408	479,820	411,200	16.7
<b>Excluding aircraft:</b>												
Shipments.....	60,882	61,193	61,309	-0.5	-0.2	1.9	55,591	68,354	51,936	419,195	376,963	11.2
New Orders.....	61,724	64,121	61,164	-3.7	4.8	-0.5	55,688	69,640	52,011	430,007	386,598	11.2
<b>Defense capital goods:</b>												
Shipments.....	7,592	8,082	7,996	-6.1	1.1	1.0	7,081	8,711	7,460	53,526	55,158	-3.0
New Orders.....	7,280	8,732	6,834	-16.6	27.8	7.2	4,586	8,626	4,991	47,047	57,653	-18.4

NA Not Available <sup>r</sup> Revised

<sup>1</sup> Shipments and new orders are the totals for the period and are adjusted for trading-day and calendar-month variations; unfilled orders and total inventories are as of the end of the period and are not adjusted for trading-day or calendar-month variations.

<sup>2</sup> Based on advance sample. Estimates of manufacturers' shipments, inventories, and orders are subject to survey error and revision. One major component of survey error is nonsampling error, which includes errors of coverage, response and nonreporting. Since the survey panel is not a probability sample, estimates of sampling error cannot be calculated. Further details on survey design, methodology, and data limitations are contained in our most recent annual benchmark publication, Current Industrial Reports: M3-3(04), "Manufacturers' Shipments, Inventories, and Orders: 1992-2004."

<sup>3</sup> The Capital Goods Industries include Nondefense: small arms and ordnance; farm machinery and equipment; construction machinery; mining, oil, and gas field machinery; industrial machinery; vending, laundry, and other machinery; photographic equipment; metalworking machinery; turbines and generators; other power transmission equipment; pumps and compressors; material handling equipment; all other machinery; electronic computers; computer storage devices; other computer peripheral equipment; communications equipment; search and navigation equipment; electromedical, measuring, and control instruments; electrical equipment; other electrical equipment, appliances, and components; heavy duty trucks; aircraft; railroad rolling stock; ships and boats; office and institutional furniture; and medical equipment and supplies.

Defense Capital Goods include: small arms and ordnance, communications equipment, aircraft: missiles, space vehicles, and parts, ships and boats, and search and navigation equipment.

<sup>4</sup> Data on new and unfilled orders are not available for the semiconductor industry. Estimates and percent changes for new orders and unfilled orders exclude semiconductor industry data. Inventories for semiconductor industry data are included in computers and electronic products and total durable goods industries, but are not shown separately.

**Table 2. Durable Goods Manufacturers' Unfilled Orders and Total Inventories**  
[Millions of Dollars]

Item	Seasonally Adjusted						Not Seasonally Adjusted <sup>1</sup>			
	Monthly			Percent Change			Monthly			Percent Change 2005/ 2004
	Jul 2005 <sup>2</sup>	Jun 2005 <sup>r</sup>	May 2005	Jun - Jul <sup>2</sup>	May - Jun <sup>r</sup>	Apr - May	Jul 2005 <sup>2</sup>	Jun 2005 <sup>r</sup>	Jul 2004	
<b>DURABLE GOODS</b>										
Total:										
Unfilled Orders <sup>4</sup> .....	580,256	574,669	559,106	1.0	2.8	2.3	579,099	576,550	532,575	8.7
Total Inventories.....	282,165	280,537	281,584	0.6	-0.4	0.2	284,299	278,805	266,650	6.6
Excluding transportation:										
Unfilled Orders <sup>4</sup> .....	290,144	289,374	284,413	0.3	1.7	0.1	290,705	290,939	269,757	7.8
Total Inventories.....	216,020	215,072	215,770	0.4	-0.3	0.1	217,308	214,064	202,420	7.4
Excluding defense:										
Unfilled Orders <sup>4</sup> .....	433,363	427,251	412,199	1.4	3.7	3.4	433,156	427,666	380,157	13.9
Total Inventories.....	263,043	261,644	262,488	0.5	-0.3	0.1	265,037	259,822	248,189	6.8
Manufacturing with unfilled orders:										
Unfilled Orders <sup>4</sup> .....	580,256	574,669	559,106	1.0	2.8	2.3	579,099	576,550	532,575	8.7
Total Inventories.....	218,669	217,273	219,055	0.6	-0.8	0.3	220,352	215,937	206,654	6.6
Primary metals:										
Unfilled Orders.....	18,785	18,891	19,308	-0.6	-2.2	-1.5	19,072	19,105	21,674	-12.0
Total Inventories.....	24,403	24,605	24,805	-0.8	-0.8	0.7	24,446	24,339	20,110	21.6
Fabricated metal products:										
Unfilled Orders.....	45,150	45,288	44,631	-0.3	1.5	0.4	46,042	46,101	42,011	9.6
Total Inventories.....	37,132	37,200	37,572	-0.2	-1.0	-0.3	37,418	37,241	34,005	10.0
Machinery:										
Unfilled Orders.....	81,072	80,397	78,022	0.8	3.0	-0.3	80,068	80,233	72,547	10.4
Total Inventories.....	47,160	46,518	46,629	1.4	-0.2	0.7	47,178	46,181	42,795	10.2
Computers and electronic products:										
Unfilled Orders <sup>4</sup> .....	114,469	114,019	111,974	0.4	1.8	0.0	114,364	114,638	104,766	9.2
Total Inventories.....	44,439	44,122	44,395	0.7	-0.6	0.0	45,083	43,589	45,552	-1.0
Computers and related products:										
Unfilled Orders.....	5,642	6,029	5,679	-6.4	6.2	0.9	5,642	6,029	5,761	-2.1
Total Inventories.....	5,274	5,282	5,250	-0.2	0.6	-0.2	5,358	5,169	4,978	7.6
Communications equipment:										
Unfilled Orders.....	38,111	37,672	36,912	1.2	2.1	-0.2	38,152	37,938	32,673	16.8
Total Inventories.....	9,945	9,812	10,015	1.4	-2.0	-0.2	10,007	9,466	10,673	-6.2
Semiconductors:										
Unfilled Orders <sup>4</sup> .....	(NA)	(NA)	(NA)	(NA)	(NA)	(NA)	(NA)	(NA)	(NA)	(NA)
Total Inventories <sup>4</sup> .....	(NA)	(NA)	(NA)	(NA)	(NA)	(NA)	(NA)	(NA)	(NA)	(NA)
Electrical equipment, appliances, and components:										
Unfilled Orders.....	16,843	16,835	16,535	0.0	1.8	1.4	17,044	16,750	15,622	9.1
Total Inventories.....	12,736	12,683	12,707	0.4	-0.2	-0.3	12,778	12,703	12,195	4.8
Transportation equipment:										
Unfilled Orders.....	290,112	285,295	274,693	1.7	3.9	4.6	288,394	285,611	262,818	9.7
Total Inventories.....	66,145	65,465	65,814	1.0	-0.5	0.4	66,991	64,741	64,230	4.3
Motor vehicles and parts:										
Unfilled Orders.....	15,725	15,344	15,327	2.5	0.1	1.1	15,803	14,966	15,641	1.0
Total Inventories.....	24,303	24,517	24,584	-0.9	-0.3	-0.1	24,680	24,308	23,525	4.9
Nondefense Aircraft and parts:										
Unfilled Orders.....	148,513	143,170	134,852	3.7	6.2	11.1	147,362	142,838	114,928	28.2
Total Inventories.....	22,311	21,629	22,127	3.2	-2.3	1.1	22,600	21,156	22,851	-1.1
Defense Aircraft and parts:										
Unfilled Orders.....	48,770	49,500	50,377	-1.5	-1.7	-2.0	49,005	50,397	60,683	-19.2
Total Inventories.....	11,590	11,352	11,294	2.1	0.5	1.2	11,689	11,413	10,559	10.7
All other durable goods:										
Unfilled Orders.....	13,825	13,944	13,943	-0.9	0.0	3.0	14,115	14,112	13,137	7.4
Total Inventories.....	50,150	49,944	49,662	0.4	0.6	-0.3	50,405	50,011	47,763	5.5
Capital goods: <sup>3</sup>										
Unfilled Orders.....	432,106	425,797	413,394	1.5	3.0	3.1	429,471	427,007	385,129	11.5
Total Inventories.....	126,387	124,629	125,305	1.4	-0.5	0.5	127,145	123,428	121,494	4.7
Nondefense capital goods:										
Unfilled Orders.....	297,124	290,503	278,750	2.3	4.2	5.1	295,470	290,511	247,736	19.3
Total Inventories.....	111,153	109,666	110,056	1.4	-0.4	0.3	111,870	108,436	106,286	5.3
Excluding aircraft:										
Unfilled Orders.....	168,081	167,239	164,311	0.5	1.8	-0.1	167,763	167,666	154,793	8.4
Total Inventories.....	93,540	92,539	92,579	1.1	0.0	0.1	94,028	91,768	88,029	6.8
Defense capital goods:										
Unfilled Orders.....	134,982	135,294	134,644	-0.2	0.5	-0.9	134,001	136,496	137,393	-2.5
Total Inventories.....	15,234	14,963	15,249	1.8	-1.9	1.4	15,275	14,992	15,208	0.4

See footnotes at end of Table 1

## **Survey Description**

This report is compiled from results of the U.S. Census Bureau's Manufacturers' Shipments, Inventories, and Orders (M3) survey. This survey provides statistics on manufacturers' value of shipments, new orders (net of cancellations), end-of-month order backlog (unfilled orders), and end-of-month total inventory (at current cost or market value). The M3 includes approximately 3,500 reporting units. Units may be divisions of diversified large companies, large homogenous companies, or single-unit manufacturers in 89 industry categories. Due to the small monthly sample, these 89 categories have been combined into 59 publication levels. The survey methodology assumes that the month-to-month changes of the total operations of those companies in the monthly survey effectively represent the month-to-month movements of all establishments that make up the category. The current coverage levels in the survey show that reported data in the monthly survey represent approximately 60 percent of the shipments estimates at the total manufacturing level. Data published represent manufacturing in a calendar month. The data collection is based on a voluntary survey authorized by Title 13 of the United States Code.

The data presented in this release are based on data obtained from a panel of 3,500 reporting units and provide an indication of the activity within the manufacturing sector. The results differ from what would be obtained from a complete enumeration of all manufacturing companies. In addition, a different panel of 3,500 companies would yield different results. The M3 panel is comprised of companies with \$500 million or more in shipments and a limited number of smaller companies. From a statistical perspective, the panel is not a probability sample; therefore, the sampling errors that are normally provided with sample surveys cannot be measured. Nonsampling errors are attributable to many sources. The use of company or divisional reports to estimate the monthly change for establishments is one source of nonsampling error. The use of primarily large companies to represent the month-to-month movement of all companies is another potential source.

Additional survey documentation can be found on our web site: <http://www.census.gov/m3/>.